

## **MINUTES**

### **MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION SUBCOMMITTEE ON FINANCE AND CLAIMS**

**Call to Order:** By **CHAIRMAN CHUCK SWYSGOOD**, on April 7, 1999 at 3:38 P.M., in Room 108 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Chuck Swysgood, Chairman (R)  
Sen. Tom A. Beck (R)  
Sen. Eve Franklin (D)  
Sen. Bob Keenan (R)  
Sen. Debbie Shea (D)  
Sen. Mignon Waterman (D)

**Members Excused:** Sen. Tom Keating, Vice Chairman (R)  
Sen. Chris Christiaens (D)  
Sen. William Crismore (R)  
Sen. Greg Jergeson (D)  
Sen. J.D. Lynch (D)  
Sen. Dale Mahlum (R)  
Sen. Ken Mesaros (R)  
Sen. Ken Miller (R)  
Sen. Arnie Mohl (R)  
Sen. Linda Nelson (D)  
Sen. Mike Taylor (R)  
Sen. Daryl Toews (R)

**Members Absent:** None.

**Staff Present:** Shannon Gleason, Committee Secretary  
Susan Fox, Legislative Branch  
Lois Steinbeck, Legislative Branch  
Greg Petesch, Legislative Branch

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: Subcommittee on SB 534,  
4/11/1999  
Executive Action: Amendments

**CHAIRMAN SWYSGOOD** advised the subcommittee would finalize the changes to the bill today, and handed out grey bill #3, **EXHIBIT (fcs75b01)**. **CHAIRMAN SWYSGOOD** thanked the staff and everyone who had been working on the bill, and felt the bill was addressing the majority of concerns while moving in the right direction.

**Susan Fox**, Legislative Services Division, walked the committee through the changed bill. **Ms. Fox** advised the changes from the previous copy were marked in the margin.

**SEN. WATERMAN** asked for clarification on page five, lines 20 through 22. **Ms. Fox** advised the first part was there because it was vestige left from the reorganization and could not be specifically applied. **Russ Cater**, DPHHS, thought the provision was there so the state hospital would have operating funds. **Lois Steinbeck**, Legislative Services Division, asked **Greg Petesch**, Legislative Legal Division, if the funds could be appropriated with this language to a managed care entity. **Mr. Petesch** advised as long as the appropriation benefits the institution, the money could be used. **Mr. Petesch** referred to subsection three and stated the idea was to require Federal money be used in the same manner as the State Special Revenue Account. **CHAIRMAN SWYSGOOD** stated if the department moved money it must benefit the institution. **Mr. Petesch** advised the benefit was not the same as "solely for the support of the institution". **SEN. WATERMAN** added it is not to the benefit of the consumers either, and was troubled this may not encourage the consumer to be moved into a community setting. **CHAIRMAN SWYSGOOD** felt she was reading more into it than need be.

**Ms. Steinbeck** advised the change in language allows shared risks between the department and managed care contractors.

**Ms. Steinbeck** asked if "non-medicaid eligible" is because medically needed could have incomes below 200% of the poverty levels. **Mr. Petesch** advised a statute already covers it.

**SEN. WATERMAN** asked why medically needy individuals were struck on page 11, line three. **Russ Cater**, DPHHS, advised it was so the spend down mechanism was not confused in the bill. **Ms. Steinbeck** advised coverage for medically needy does not currently require a spend down. **Dan Anderson**, DPHHS, thought Section I required a person to spend down in order to become medically needy. **Ms. Steinbeck** advised the subcommittee was concerned that people who can become Medicaid eligible through a spend down do so, and explained the structure now prevents that, if they are captured in the 200% poverty group they never incur a spend down.

**CHAIRMAN SWYSGOOD** advised there were three groups they were trying to encompass. **SEN. WATERMAN** agreed and noted a concern with Magellan was people under the 200% level were being covered under non-Medicaid funds and they should have been covered under Medicaid as medically needy. Both **SEN. WATERMAN** and **CHAIRMAN SWYSGOOD** agreed that was the intent. **Mr. Petesch** advised he would take care of that.

**Bob Olsen**, Mental Health Association, asked the logic of item three. **Mr. Petesch** advised they were two separate entities. **Russ Cater** advised the language was an abbreviated version of current language.

**CHAIRMAN SWYSGOOD** wanted the language on page 11, line 19 to be Legislative Finance Committee.

**Lois Steinbeck** was concerned with the language on page 13, Section 10. There was a question if it could be used to say there was no coverage until discharged. **Mr. Anderson** was also concerned. **Ms. Fox** advised they had to become eligible while they were hospitalized. **SEN. FRANKLIN** thought the wording should be "not prohibited".

**Anita Rossman**, Montana Advocacy Program (MAP), felt the language would slow down the delivery of services. **Mr. Petesch** stated the language allows the services to be provided right away, not slow it down. **Ms. Fox** advised the language could be used for physical health and there were "gatekeeper" reasons to not allow enrollment until discharged. This allowed flexibility.

**Kip Smith**, Primary Care Association, wanted to know what the Federal requirements were. **Mr. Cator**, DPHHS, advised the auditor requested the changes from "actuarially sound to fiscally sound".  
{Tape : 1; Side : A; Approx. Time Counter : 4:10}

**Mr. Petesch** advised the audit language was being changed to reflect the intent to ensure the provider be financially sound, not audit the company ongoing.

**Motion:** **SEN. BECK** moved that **AMENDMENT SB053405.AGP EXHIBIT(fcs75b02)** BE ADOPTED.

**Discussion:**

**CHAIRMAN SWYSGOOD** advised Federal law directs the advisory council make up.

**SEN. WATERMAN** wanted to make sure the ombudsman had influence and could assist in resolving change within the department.

**Claudia Clifford**, Insurance Commissioner's Office, asked to have their role defined.

**Andrea Merrill**, Mental Health Association, explained her view of the council. **Ms. Merrill** felt the council should be separate from the department as she felt the department would not have an objective view of itself. *{Tape : 1; Side : B; Approx. Time Counter : 4:20}*

**Ms. Rossman**, MAP, explained her idea of the council and stated she did not feel the council should be tied to the department.

**CHAIRMAN SWYSGOOD** advised there was a motion on the table for the amendment. **CHAIRMAN SWYSGOOD** did not want to establish two councils and felt this would work.

**SEN. WATERMAN** stated it was attached to the Board of Visitors for administrative purposes.

**SEN. BECK** thought this was the way to go.

**Vote:** Motion **carried unanimously.**

**Mr. Petesch** stated on the top of page 10 the provision the department had to include was stated and the wording should be "at least annually" and " not less that annually" be removed.

**Motion/Vote:** **SEN. KEENAN** moved that **CONCEPTUAL AMENDMENT BY MR. PETESCH BE ADOPTED. Motion carried unanimously.**

**Motion/Vote:** **SEN. BECK** moved that **LEGISLATIVE FINANCE COMMITTEE BE ADDED TO PAGE 11, LINE 21 AND STRIKE CHILDREN FAMILY HEALTH HUMAN SERVICES SUBCOMMITTEE BE ADOPTED. Motion carried unanimously.**

**Motion/Vote:** **SEN. SWYSGOOD** moved that **THE AMENDMENTS AS AMENDED BE PASSED BE ADOPTED. Motion carried unanimously.**

**ADJOURNMENT**

Adjournment: 4:50 P.M.

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SEN. CHUCK SWYSGOOD, Chairman

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SHANNON GLEASON, Secretary

CS/SG

**EXHIBIT (fcs75bad)**